

AR36



AND SUBSIDIARY COMPANIES

1134 BURRARD STREET
VANCOUVER 1, B.C.

REPORT TO SHAREHOLDERS

FOR THE SIX MONTHS
ENDED FEBRUARY 28, 1970

VANCOUVER

Radio Station CHQM
Radio Station CHQM-FM
Q Music, Background Music

PRINCE GEORGE

Radio Station CKPG
Television Station CKPG-TV

W. E. BELLMAN
President and
Chief Executive Officer

of British Columbia. SOTV serves over nine thousand subscribers in the Kelowna, Penticton, Revelstoke and Hedley areas.

This agreement marks a major step in the expansion of the company into an important and related new field of communications.

With this acquisition Q Broadcasting Ltd. would own and operate:

Radio Stations CHQM and CHQM-FM Vancouver
Radio Station CKPG Prince George
Television Station CKPG-TV Prince George
Q Music, Background Music Service
South Okanagan group of Cable Television Systems.

Vancouver, B.C.
March 31, 1970.

INTERIM REPORT

(SUBJECT TO AUDIT)

CONSOLIDATED STATEMENT OF EARNINGS

	For the Six Months Ended February 28.	
	1970	1969
GROSS INCOME	\$1,084,877	\$641,228
OPERATING EXPENSES	778,222	450,891
OPERATING PROFIT	306,655	190,337
DEPRECIATION	73,482	55,731
NET EARNINGS BEFORE TAXES	233,173	134,606
PROVISION FOR INCOME TAXES	114,011	63,257
NET EARNINGS FOR THE PERIOD	\$ 119,162	\$ 71,349

CONSOLIDATED STATEMENT OF SOURCE AND APPLICATION OF FUNDS

	For the Six Months Ended February 28.	
	1970	1969
SOURCE OF FUNDS		
Net Earnings for the Period	\$ 119,162	\$ 71,349
Add: Charges not requiring cash outlay:		
Depreciation	73,482	55,731
Amortization of Financial charges	3,941	7,172
Deferred Income Tax	—	7,574
Proceeds from issue of Class A shares	862,500	—
Recovery of deposit	25,000	20
Sales of fixed assets	9,114	3,321
Adjustment of prior year's earnings	—	810
	<u>\$1,093,199</u>	<u>\$145,977</u>
APPLICATION OF FUNDS		
Acquisition of shares of Radio Station CKPG Limited	\$ 900,000	—
Investment in Q Music Ltd.	100	—
Increase in cash surrender value of life insurance	—	\$ 924
Deferred Financial charges	40,977	—
Reduction of long-term debt	14,352	40,054
Additions to fixed assets	72,596	23,038
Dividends on common shares	39,250	40,000
Adjustment of prior year's earnings	93	—
	<u>\$1,067,368</u>	<u>\$104,016</u>
INCREASE IN WORKING CAPITAL	<u>\$ 25,831</u>	<u>\$ 41,961</u>
Working Capital August 31, 69/68	\$ 31,203	\$ 12,250
Increase in working capital	25,831	41,961
Working Capital February 28, 70/69	<u>\$ 57,034</u>	<u>\$ 54,211</u>

TO SHAREHOLDERS

We are pleased to submit a preliminary unaudited Summary of Results for the six months ending February 28, 1970.

This six months period has been one of considerable growth in both markets we serve, Vancouver and Prince George. In spite of a cooling of the economy in recent months, Gross Income and Net Earnings for each of the company's subsidiaries increased substantially.

Acquisition of our Prince George subsidiaries was effective May 27, 1969. Comparative figures therefore do not include the results of their operations for the six months ending February 28, 1969.

If for comparison the operations of these companies were combined for the same period in 1969, Net Earnings increased from \$81,066 to \$119,162 — an increase of 47%. Gross income for the same period increased from \$935,271 to \$1,084,877 — an increase of 16%.

On February 15, 1970 Pacific Press Ltd. suspended publication of Vancouver's two daily newspapers. This situation resulted in increased earnings for Q Broadcasting Ltd. for the final two weeks of the six months being reported.

As of this date there is no indication of how long Vancouver will be without these publications but earnings for the next quarter should be increased as a result.

Shareholders have been notified that an application has been made to the Canadian Radio Television Commission for approval of a transfer to Q Broadcasting Ltd. of all of the shares of SOTV Holdings Ltd., a company which operates the largest cable television system in the interior

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Company will pay a dividend of five cents per Class A share and five cents per Common share to all shareholders of record as of May 17th 1971. The dividend will be paid on May 31st 1971, for the quarter ending on that date.

It is hoped that continued earnings of the Company will permit payment of a similar dividend on a regular basis at the conclusion of each future quarter.

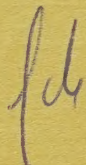


W. E. BELLMAN
President and
Chief Executive Officer

Vancouver, B.C.
April 16th, 1971

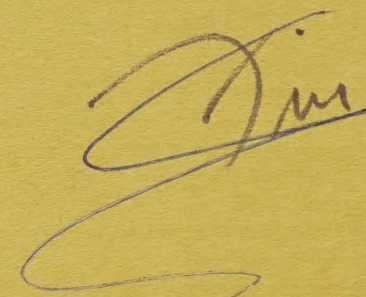
VANCOUVER
Radio Station CHQM
Radio Station CHQM-FM
Q Music, Background Music

PRINCE GEORGE
Radio Station CKPG
Television Station CKPG-TV



Q-BROADCASTING LTD.
AND SUBSIDIARY COMPANIES

1134 BURRARD STREET
VANCOUVER 1, B.C.



REPORT TO SHAREHOLDERS
FOR THE SIX MONTHS
ENDED FEBRUARY 28, 1971

INTERIM REPORT

(SUBJECT TO AUDIT)

CONSOLIDATED STATEMENT OF EARNINGS

	For the Six Months Ended February 28.	
	1971	1970
GROSS INCOME	\$ 1,064,195	\$ 1,084,877
OPERATING EXPENSES	828,506	778,222
OPERATING PROFIT	235,689	306,655
DEPRECIATION	73,014	73,482
NET EARNINGS BEFORE TAXES	162,675	233,173
PROVISION FOR INCOME TAXES	74,920	114,011
NET EARNINGS FOR THE PERIOD	\$ 87,755	\$ 119,162

CONSOLIDATED STATEMENT OF SOURCE AND APPLICATION OF FUNDS

	For the Six Months Ended February 28.	
	1971	1970
SOURCE OF FUNDS		
Net Earnings for the Period	\$ 87,755	\$ 119,162
Add: Charges not requiring cash outlay:		
Depreciation	73,014	73,482
Amortization of Financial charges	2,738	3,941
Proceeds from issue of Class A shares	—	862,500
Recovery of deposit	—	25,000
Sales of fixed assets	—	9,114
	\$ 163,507	\$ 1,093,199
APPLICATION OF FUNDS		
Acquisition of shares of Radio Station CKPG Limited	—	900,000
Investment in Q Music Ltd.	—	100
Deferred Financial charges	—	40,977
Reduction of long-term debt	18,941	14,352
Additions to fixed assets	106,468	72,596
Dividends on common shares	—	39,250
Adjustment of prior year's earnings	76	93
	\$ 125,485	\$ 1,067,368
INCREASE IN WORKING CAPITAL	\$ 38,022	25,831
Working Capital August 31, 70/69	206,762	31,203
Increase in working capital	38,022	25,831
Working Capital February 28, 71/70	\$ 244,784	\$ 57,034

TO SHAREHOLDERS:

We are pleased to submit a preliminary unaudited summary of results for the six months ending February 28th, 1971.

This six months period includes a rather slow fall and winter followed by signs of rapid recovery in the early spring.

In Vancouver we are now facing that period of last year when Pacific Press Ltd. suspended publication of both daily newspapers. This situation lasted for approximately three months commencing February 15th 1970, and resulted in inflated earnings for that period.

In Prince George a major reorganization of our operations there has taken place. While radio sales have been slightly lower as a result of the opening of a competitive radio station in the late summer of 1970, both local and national radio sales are improving rapidly.

Effective January 1st 1971, CKPG-TV is managed separately from CKPG radio. The aim is to greatly increase local TV sales. The results are most gratifying at this date. More on this in our next report.

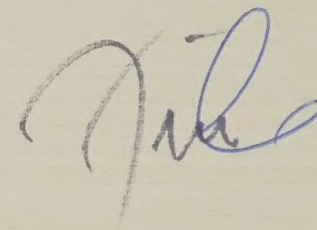
The steady growth of sales on CHQM and CHQM-FM — our radio stations in Vancouver — can be illustrated by a comparison of 1971 with 1969, ignoring the newspaper strike of 1970. Sales for March 1971 increased by 35% over March 1969. In mid-April sales for April 1971 are 24% over 1969.

I am pleased to inform you that at a meeting of the Board of Directors of Q Broadcasting Ltd. held April 15th 1971, it was declared that your

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VANCOUVER
Radio Station CHQM
Radio Station CHQM-FM
Q Music

PRINCE GEORGE
Radio Station CKPG
Television Station CKPG-TV



Q BROADCASTING LTD.

AND SUBSIDIARY COMPANIES

1134 BURRARD STREET
VANCOUVER 1, B.C.

REPORT TO SHAREHOLDERS
FOR THE SIX MONTHS
ENDED FEBRUARY 28, 1973

QBROADCASTING LTD.

INTERIM REPORT

FOR THE SIX MONTHS ENDED FEBRUARY 28, 1973
(With comparative figures for 1972)

CONSOLIDATED STATEMENT OF EARNINGS

	1973	1972
REVENUE	\$ 1,255,209	\$ 1,242,757
EXPENSES	1,013,831	942,965
	241,378	299,792
DEPRECIATION	75,294	75,426
	166,084	224,366
NET EARNINGS BEFORE INCOME TAXES	94,143	97,040
INCOME TAX	71,941	127,326
NET EARNINGS FOR THE PERIOD	\$ 16.9¢	\$ 30.0¢
EARNINGS PER SHARE		

CONSOLIDATED STATEMENT OF SOURCE AND APPLICATION OF FUNDS

	1973	1972
SOURCE OF FUNDS		
Net income for the period	\$ 71,941	\$ 127,326
Items not involving funds		
Depreciation	75,294	75,426
Amortization of finance charges	—	2,547
Gains on sales of fixed assets	(1,937)	(1,714)
	145,298	203,585
Proceeds from issue of capital stock	—	750
Proceeds from sales of fixed assets	6,840	5,450
	\$ 152,138	\$ 209,785
APPLICATION OF FUNDS		
Additions to fixed assets	40,821	29,173
Dividends	42,560	42,500
	83,381	71,673
INCREASE IN WORKING CAPITAL	68,757	138,112
Working capital at beginning of period	592,880	386,375
WORKING CAPITAL AT END OF PERIOD	\$ 661,637	\$ 524,487

TO SHAREHOLDERS:

This is a preliminary unaudited summary of your Company's operations for the six months ending February 28, 1973.

While gross income is up marginally at 1%, operating expenses have increased 7.5% resulting in a drop in net earnings of 43.5%.

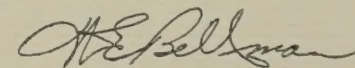
The nature of radio and television operations results in net profits being very dramatically affected by any increase or decrease in gross income. Expenses remain relatively stable from period to period; unaffected by variations in sales. Therefore, fluctuations in sales are reflected almost entirely in earnings before taxes.

Gross income is directly related to share of audience. At CHQM in Vancouver we have made significant changes in our programming recently which we expect will lead to a larger audience of young adults in the 25 - 49 year age bracket. The result of these changes will not be reflected in ratings before this summer or possibly late fall.

Q Music continues to show satisfactory growth in a period of booming construction in Vancouver.

CKPG Radio in Prince George is increasing in both share of audience and sales, while CKPG-TV continues to grow in sales at the local level.

Our working capital has increased as we continue our search for a suitable acquisition.



W. E. BELLMAN
President and
Chief Executive Officer

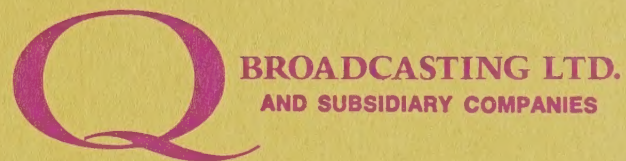
Vancouver, B.C.
April 23, 1973

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VANCOUVER
Radio Station CHQM
Radio Station CHQM-FM
Q Music

PRINCE GEORGE
Radio Station CKPG
Television Station CKPG-TV

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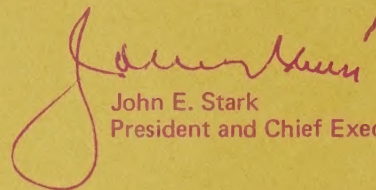
REPORT TO SHAREHOLDERS
FOR THE SIX MONTHS
ENDED FEBRUARY 28, 1974

TO SHAREHOLDERS:

I am pleased to state that your Company has completed a successful first six months. Net profit shows an increase of \$26,682 or 37%, and Working Capital has increased by \$89,644.

Our application for a new AM Broadcasting station at Mackenzie, British Columbia has been approved by the Canadian Radio-Television Commission. We expect to begin operations there in the Fall.

May I take this opportunity to thank all of the Staff of our various Divisions for their hard work and excellent cooperation during the past half-year.



John E. Stark
President and Chief Executive Officer

Q BROADCASTING LTD.

INTERIM REPORT FOR THE SIX MONTHS ENDED FEBRUARY 28, 1974

CONSOLIDATED STATEMENT OF EARNINGS

	1974	1973
Revenue	✓ \$1,258,593	✓ \$1,255,209
Expenses	986,297	1,013,831
	272,296	241,378
Depreciation	81,480	75,294
	190,816	166,084
Net Earnings before Income Taxes	92,193	94,143
Income Tax		
	\$ 98,623	\$ 71,941
Net Earnings for the Period	✓	✓
Earnings per Share	✓ 23.2¢	✓ 16.9¢

CONSOLIDATED STATEMENT OF SOURCE AND APPLICATION OF FUNDS

	1974	1973
SOURCE OF FUNDS		
Net income for the period	\$ 98,623	\$ 71,941
Items not involving funds		
Depreciation	81,480	75,294
Gain on Sales of Fixed Assets	—	(1,937)
	180,103	145,298
Proceeds from sales of fixed assets	122	6,840
	\$ 180,225	\$ 152,138
APPLICATION OF FUNDS		
Additions to fixed assets	48,021	40,821
Dividends	42,560	42,560
	90,581	83,381
INCREASE IN WORKING CAPITAL	89,644	68,757
Working capital at beginning of period	653,178	592,880
	\$ 742,822	\$ 661,637
WORKING CAPITAL AT END OF PERIOD		

156 85
99 72
57 13

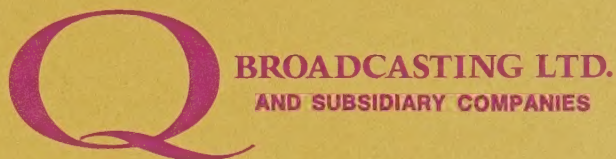
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VANCOUVER
Radio Station CHQM
Radio Station CHQM-FM
Q Music

PRINCE GEORGE
Radio Station CKPG
Television Station CKPG-TV

MACKENZIE
Radio Station CKMK

Canary



1134 BURRARD STREET
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V6Z 1Y8

REPORT TO SHAREHOLDERS
FOR THE SIX MONTHS
ENDED FEBRUARY 28, 1975

TO SHAREHOLDERS:

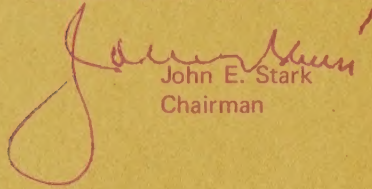
It is pleasing to report that your Company had a most successful first six months.

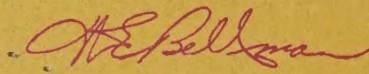
Net profits after Tax of \$157,293 indicate an increase of 59.4%. Revenues increased 34.9% to \$1,698,174.

The increased sales and profit trend in your Company represents a significant recovery of our former position in the markets we serve, and has been accomplished in spite of a somewhat clouded economic picture.

At a Directors Meeting held April 7th, 1975, an increase of one cent per share in the quarterly dividend was approved. Therefore a dividend of six cents per share will be paid May 31st, 1975, to shareholders of record May 15th, 1975.

The staff of our various Divisions are to be congratulated.


John E. Stark
Chairman


W. E. Bellman
President

Q BROADCASTING LTD.

INTERIM REPORT FOR THE SIX MONTHS ENDED FEBRUARY 28, 1975

CONSOLIDATED STATEMENT OF EARNINGS

	1975	1974
Revenue	\$1,698,174	\$1,258,993
Expenses	1,268,083	986,297
Depreciation	430,091	272,296
Net Earnings before Income Taxes	340,466	190,816
Income Tax	183,173	92,193
Net Earnings for the Period	\$ 157,293	\$ 98,623
Earnings per Share	36.9¢	23.2¢

CONSOLIDATED STATEMENT OF CHANGES IN FINANCIAL POSITION

	1975	1974
SOURCE OF WORKING CAPITAL		
Net income for the period	\$ 157,293	\$ 98,623
Items not involving funds		
Depreciation	89,625	81,480
	246,918	180,103
Proceeds from sales of fixed assets	—	122
	\$ 246,918	\$ 180,225
APPLICATION OF WORKING CAPITAL		
Additions to fixed assets	192,471	48,021
Dividends	42,560	42,560
Adjustment 1974 Income	1,216	
	236,247	90,581
INCREASE IN WORKING CAPITAL	10,671	89,644
Working capital at beginning of period	720,254	653,178
WORKING CAPITAL AT END OF PERIOD	<u>\$ 730,925</u>	<u>\$ 742,822</u>

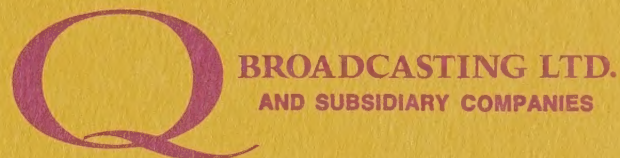
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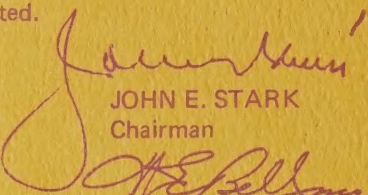
REPORT TO SHAREHOLDERS
FOR THE SIX MONTHS
ENDED FEBRUARY 29, 1976

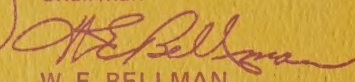
TO SHAREHOLDERS:

Your Company had a most successful first six months. Net profits after Tax of \$225,341 indicate an increase of 43.3%. Revenues increased 20.6% to \$2,048,653.

The increased sales and profit trend in your Company represents a significant improvement over last year, which is most pleasing in the light of a somewhat soft economic picture.

The staff of our various Divisions are to be congratulated.


JOHN E. STARK
Chairman


W. E. BELLMAN
President

Q BROADCASTING LTD.

Vancouver

INTERIM REPORT FOR THE SIX MONTHS ENDED FEBRUARY 29, 1976

CONSOLIDATED STATEMENT OF EARNINGS

	1976	1975
Revenue	\$2,048,653	\$1,698,174
Expenses	1,470,192	1,268,083
	578,461	430,091
Depreciation	90,719	89,625
Net Earnings before Income Taxes	487,742	340,466
Income Tax	262,401	183,173
Net Earnings for the Period	\$ 225,341	\$ 157,293
Earnings per Share	52.9¢	36.9¢

CONSOLIDATED STATEMENT OF CHANGES IN FINANCIAL POSITION SOURCE OF WORKING CAPITAL

	1976	1975
Net income for the period	\$ 225,341	\$ 157,293
Items not involving funds		
Depreciation	90,719	89,625
	316,060	246,918
Adjustment 1975 Income	1,650	—
	\$ 317,710	\$ 246,918

APPLICATION OF WORKING CAPITAL

Additions to fixed assets	85,153	192,471
Dividends	51,072	42,560
Adjustment 1974 Income		1,216

	136,225	236,247
INCREASE IN WORKING CAPITAL	181,485	10,671
Working Capital at beginning of period	838,587	720,254

WORKING CAPITAL AT END OF PERIOD	\$1,020,072	\$ 730,925
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